



**APPROVED**

**CITIZENS BOND REVIEW COMMISSION  
HUMAN RESOURCES BUILDING, PINNACLE ROOM  
7575 E. MAIN STREET  
SCOTTSDALE, ARIZONA 85251  
February 12, 2004  
6:00 PM**

**MINUTES**

**PRESENT:** Steven Sagert, Chairman  
Don Adams  
Larry Beckner  
William Magoon  
Lisa Samuel  
Sue Sisley  
Lee Tannenbaum  
William Welch  
Sam West

**ABSENT:** Judy Brotman  
Monyette Dunlap-Green  
Thomas Lanin, Vice Chairman  
Gregg Maxon  
Eric Schechter

**STAFF:** Al Dreska, General Manager, Municipal Services Department  
Jeff Nichols, CIP Coordinator  
Roger Klingler, Assistant City Manager  
Don Penfield, Community Services  
Craig Clifford, Financial Services General Manager  
Dave Meinhart, Transportation Department  
Holly Christian, Police Department  
Mark Eisen, Police Department

**CALL TO ORDER**

Chair Sagert called the regular meeting of the Scottsdale Citizens Bond Review Commission to order at 6:04 pm, noting the presence of a quorum.

**CALL OF THE ROLL**

The roll call indicated those members present as indicated above.

**MINUTES APPROVAL**

On motion made by Commissioner Samuel, and seconded by Commissioner Adams, the minutes from the January 10, 2004 meeting were approved as presented. The motion passed unanimously.

## **NEW BUSINESS**

### **A. MEETING TIMES**

Chair Sagert recalled that there had been discussion as to modifying the bylaws to change the regular meeting time from 5:00 to 6:00 pm. Discussion ensued. It was the consensus of the Commissioners that retaining the 5:00 pm time was appropriate.

### **B. CHAIR AND VICE-CHAIR TERM LIMITS**

Chair Sagert reported that the bylaws state that the chair and vice-chair may each serve two terms. Commissioner Adams noted that a partial term does not count toward the two term limit.

### **C. OVERVIEW OF PROPOSED CHANGES.**

Mr. Klingler explained that several changes had been proposed for the Bond 2000 program, and that they were related to either moving a project up or back in time, or modifying the project in some way. He commented that review of these changes was under the purview of the Bond Commission. Mr. Klingler discussed the following changes:

#### **1. Library and Park Improvement Bonds**

- a. Arabian Library – due to decreased operating impacts, the project is now being funded.

Mr. Penfield explained the operating impacts, noting that the original estimate was an additional \$600,000 to \$700,000. He explained that the figure had been reduced to \$400,000. In response to a question by Commissioner Welch, Mr. Penfield acknowledged concerns regarding security, due to proximity with the school. He stated that those concerns are being addressed and that a solution was anticipated.

- b. El Dorado Ball fields renovation – funding will be advanced, with no operating impact associated with the project.
- c. WestWorld Arenas 7 & 8 Relocation – no change in bond funding/Name and Scope Change.

Commissioner Tannenbaum expressed concern as to the fact that WestWorld operates in a deficit function. Mr. Clifford responded that the long-range plan was to break even, and that there were some updates to the fee schedule as far as parking to help cover operating costs. He added that WestWorld is considered in the same category as the other parks in the city and that, as such, is not expected to generate revenue. He went on further to state that the events held at WestWorld do generate millions of sales tax dollars through hotels and restaurants.

Commissioner West inquired as to the Master Plan vision at WestWorld and how that would unfold. Mr. Clifford replied that a significant priority of the Master Plan was to construct a multi purpose facility to hold events and expand the season. He commented that that cost was approximately \$30,000,000, but was not to be funded through the capital plan in its entirety, but that the proposal was to issue municipal property corporation bonds, which would not impact the Citizen's Bond Commission.

2. Public Safety Facilities Bonds

- a. District One Patrol Station – added back to the five-year program.
- b. Helicopter Air Support Unit – request to include project in the fifth year of the Program.

3. Transportation Improvement Bonds

- a. Bus Bay Improvement Program – funding delayed for two fiscal years.
- b. Buses Expansion – funding is decreased due to decreased need for buses.
- c. Hayden Road-Deer Valley to Pinnacle Peak – funding is advanced to allow for earlier land acquisition.
- d. Loop 101 Park and Ride Lots-grant funds available for this project. Mr. Meinhart commented that the grant funds are significant.
- e. Mustang Transit Center-request to include in five-year plan, and to increase funding.
- f. Northsight Transit Center – request to include in the five-year plan.
- g. Regional Transit Maintenance Facility – a shared facility with Tempe for bus maintenance. Mr. Klingler noted that the funding for this project was decreased.
- h. Scottsdale Road-Thompson Peak Parkway to Pinnacle Peak. – request to delay funding to better reflect timing with the Stacked 40 and other related projects.
- i. Sidewalk Improvements – request to increase funding for continuation of program throughout the city.
- j. Thompson Peak-Bell to Union Hills - decreased cost due to shared responsibility with the developer.
- k. Thompson Peak Bridge at Reata – increase funding to better reflect the cost of the project.
- l. Thunderbird/Redfield-Scottsdale to Hayden – request to increase funding to better reflect the estimated cost of the project.
- m. Traffic Management Program – Sales Tax funds being added to the request for increase bond funding. Commissioner West inquired as to the anticipated number of intersections per year that would be converted to the ITS technology. Mr. Meinhart replied that the goal was 10 to 15.
- n. Transit Technology – request for funding and inclusion in the five-year plan for tracking of transit buses and passenger utilization.

Commissioner Tannenbaum referred to the Scottsdale Road enhancement project and the confusion as to differences in the ballot language and information pamphlet verbiage. She asked how that funding was being allocated along Scottsdale Road. Mr. Klingler replied that the funding would be utilized for the entire length of Scottsdale Road. Discussion ensued. Commissioner West requested a report from staff as to the status of the project.

Commissioner Beckner moved to recommend to City Council approval to include these modifications of projects in the proposed 2004/05-budget adoption. Commissioner Adams seconded the motion. Commissioners Welch and West asked to hear Mr. Clifford's presentation prior to voting.

**C. FINANCIAL OVERVIEW**

Mr. Clifford distributed several handouts. The first handout detailed the bond 2000 question, amount issued, expenditures and commitments and balance remaining. He explained that the second handout went into more detail on each of the projects. Lastly, he referred to the "near" final bond issuance tax rate schedule. He pointed out that the schedule shows \$28,000,000 already issued, with a total planned issuance of \$38,500,000 for this year, and potential future issuances of bonds to keep the cash in place to address the plan at that time. He noted the estimated impact on the tax rate on the citizens of Scottsdale. He went on to point out the new proposed plan, and stated that staff planned to ask City Council for approval to issue \$48,000,000 of general obligation bonds to continue moving forward on these projects. He explained that the \$48,000,000 was not necessarily tied to the budget, but rather to cash flow projections.

Mr. Clifford noted that the city did not issue debt last year due to the poor market conditions, but with historically low rates in the bond market that currently exist, it was deemed prudent to issue bonds at this time. Mr. Clifford explained the timing relative to negative arbitrage issues. He also explained the timing benefits of the Reimbursement Resolution by City Council, providing the authority for expenditures to be made, prior to issuance of debt, for future reimbursement. He noted that the main benefit was related to costs of issuance.

Mr. Clifford observed that, as a result of assessed value changes, the amount of bonds being issued, timing of the bonds, the amount of bonds being paid off, and market rates, that property tax rates would drop from \$1.12 per one hundred dollars assessed value to \$1.07. Commissioner West inquired as to the city's rating outlook. Mr. Clifford reminded the Commission that Scottsdale is one of seventeen cities to have received a rating of AAA from all three rating agencies. He referred to the many fiscally responsible measures taken by the city to ensure this rating, and explained that the rating agencies assess not only revenue, but the total ability and willingness of the community to pay debt. Commissioner West applauded the efforts of staff in ensuring the fiscal soundness of Scottsdale.

Commissioner West went on to ask if there was anything in the future that might be of concern as far as rates changing. Mr. Clifford replied in the negative and added that the rating was not all tied to the bonds, but also the operating side of the coin. He also mentioned low risk claims for the city. He observed that Scottsdale is a great city in which to live, a factor noted by the rating agencies. Mr. Clifford advised the Commission that debt service reserve funds stood at \$9,000,000. He responded to questions from the commissioners.

President Sagert called for the vote on the motion previously made by Commissioner Beckner. The motion passed unanimously.

Commissioner Beckner moved to recommend approval of the proposed FY 2003-04 budget bond sale. Commissioner West seconded the motion, which passed unanimously.

**D. APRIL QUARTERLY MEETING**

Chair Sagert stated that the next meeting would be April 1, 2004 at 5:00 pm.

Commissioner West requested graphic presentation of data as presented at previous meetings, noting that it was an easier format to follow.

**OPEN CALL TO THE PUBLIC**

No public comments were forthcoming.

**PRESIDING OFFICER'S SUMMARY OF CURRENT EVENTS**

Chair Sagert thanked the Commissions for their attendance.

**ADJOURNMENT**

With no further business to come before the Commission, being duly moved, the regular meeting the Citizens Bond Review Commission was adjourned at 7:55 pm.

Respectfully submitted,

"For the Record" Reporters